

MEDIA RELEASE



**FEDERAL CHAMBER
OF AUTOMOTIVE
INDUSTRIES**

ABN No 53 008 550 347

GPO BOX 313, CANBERRA ACT 2601
10 RUDD STREET, CANBERRA CITY
ACT 2600 AUSTRALIA
TELEPHONE 02 6247 3811
FACSIMILE 02 6248 7673

18th JUNE 2008

AUTOMOTIVE INDUSTRY WELCOMES INQUIRY INTO LUXURY CAR TAX

The peak body representing the Australian automotive industry, the Federal Chamber of Automotive Industries (FCAI), has welcomed news that the proposed increase in the Luxury Car Tax has been referred to a Senate Committee for inquiry.

“This is a welcome development which provides the automotive industry and the motoring public with the opportunity to show why this unnecessary and punitive tax increase should not go ahead,” FCAI Chief Executive Andrew McKellar said.

“There was no consultation on this measure prior to its announcement in the Budget,” he said. “But it has become clear that this tax increase would have many significant and unintended adverse consequences for motorists, road safety and the environment,” Mr McKellar said.

A major issue for the Senate to consider is that the threshold at which the tax is applied has not kept pace with changes in the market.

“More and more ordinary, family vehicles are being captured by this unfair tax and if the trend continues we will see many more motorists paying more than they should for their new car,” he said.

This tax hike also fails to take into consideration that many of the targeted vehicles are the first to introduce important new environmental and safety technologies into the Australian vehicle market.

“This is indeed a tax on family safety and a tax on new environmentally-friendly technologies at a time when these issues are becoming increasingly important,” Mr McKellar said.

Families in rural and regional Australia will be hit particularly hard by this tax increase.

“A large number of the vehicles affected by the tax increase are vital in rural and regional areas,” Mr McKellar said.

“Safety on the road is a necessity, not a luxury,” he said.

For more information or interview requests:

Mr James Goodwin
Media & Communications Manager
P: 02 6229 8221
M: 0401 248 772